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TAGS: PGOV PREL ES

SUBJECT: MARCH 15 SALVADORAN PRESIDENTIAL ELECTIONS

Classified By: Charge d'Affaires, for reasons 1.4 (b) and (d)

- 11. (C) This is an action request. Please see paragraph 24.
- 12. (C) Summary and action request: March 15 marks the culmination of El Salvador's hotly-contested presidential campaign. (Left-wing) Farabundo Marti National Liberation Front (FMLN) candidate Mauricio Funes has held a significant lead over (conservative, pro-U.S.) Nationalist Republican Alliance (ARENA) candidate Rodrigo Avila for months, but that lead has dwindled since the January 18 legislative and municipal elections took place. ARENA lost ground in the Legislative Assembly and in municipalities, but won the key San Salvador municipal battle, and emerged from the January elections with an energized support base. Nevertheless, the most historically reliable polling firm gives Funes a 7.6-point advantage. Other polls (of varying reliability) show a spread from a dead heat to a double-digit Funes lead.
- 13. (C) Summary and action request, continued: Moving forward, we would expect an Avila government to remain a close ally of the U.S., with a strong focus on law enforcement. A Funes government presents a more uncertain future, but he has run as a moderate, and has publicly expressed a desire for continued close U.S.-El Salvador relations. The main question would be whether Funes would direct an FMLN government or whether the hardline FMLN members would take control. The U.S. Embassy has taken a neutral, impartial position, and has pledged to work constructively with whoever wins. Regardless of the outcome of the election, post requests that the Department coordinate with NSC a prompt congratulatory call to the Salvadoran President-elect from President Obama. End Summary.

Election Details

14. (SBU) El Salvador's presidential elections will take place on March 15, 2009. The election is down to two candidates, assuring that there will be no April runoff. When casting a ballot citizens your for the party, not the candidate. Each

ballot, citizens vote for the party, not the candidate. Each ballot will display only the emblems of the two parties vying for the presidency.

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Background: The Candidates

15. (C) ARENA candidate Rodrigo Avila has a strong law enforcement background. He is the former two-time Director of the National Civilian Police (PNC) and a former member of the Legislative Assembly. Avila personally admires the United States, and has been, over the years, a regular

interlocutor with the U.S. Embassy and with USG law enforcement agencies. He and his wife speak fluent English, and one of their children attends the local American School. Avila is decent and sincere. He lacks Funes' oratory skills, making him appear at times to be weak and unfocused as a campaigner.

16. (C) FMLN candidate Mauricio Funes is a popular former talk show host with CNN en Espanol. He made his public name through harsh criticisms of ARENA policies. Although his brother was a guerrilla killed during the Civil War, Funes is, by all appearances, not a hardline leftist. He was not an official member of the FMLN party until well into his presidential campaign. Funes has campaigned as a moderate, and has enjoyed widespread popular support during his candidacy. His wife, Wanda Pignato, was the Brazilian Workers' Party (PT) representative for Central America. She has a radical past, but has moderated in sync with Lula's moderation as President of Brazil.

Legislative and Municipal Recap

- 17. (SBU) On January 18, El Salvador held its legislative and municipal elections. The FMLN gained three seats in the Legislative Assembly, and now holds 35, while ARENA lost some ground, falling from 34 to 32 seats. Neither party holds a majority (43 seats), and going forward, both parties will need alliances with each other or with the three remaining small political parties in order to pass legislation. Legislation requiring a supermajority (2/3) will be unachievable without the support of both major parties. The (right-wing, opportunistic) National Conciliation Party (PCN) was the true winner in the legislative round, garnering 11 seats (up from nine), enough to form a majority with either the FMLN or ARENA. The (center-right) Christian Democratic Party (PDC) won five seats (down from seven), and the (center-left) Democratic Change party (CD) won a single seat (down from two).
- ¶8. (SBU) The FMLN gained significant ground in the municipal elections, winning 75 municipalities (up from 52). ARENA maintained control of the largest number of municipalities of any party following the January 18 elections, but its total dropped from 147 to 122. However, ARENA won the most significant municipal race, as its underdog candidate, Norman Quijano, ousted incumbent FMLN mayor Violeta Menjivar. The ARENA support base was energized by this victory, and that confidence quickly began to manifest in presidential race polling numbers.

No Runoff: Smaller Party Candidates Out of the Race

19. (C) In early February, both smaller party candidates exited the race, eliminating the possibility of an April runoff. The PDC and PCN were determined to prevent the FMLN from winning the presidency, and saw the best opportunity for an ARENA victory was to move the election directly to the second round. The PDC presidential candidate, Carlos Rivas Zamora, withdrew from the race in early February. Several days later, PCN candidate Tomas Chevez refused to back out of the presidential race, but PCN leadership decided otherwise, expelling him from the party and thereby ending his bid. Chevez was livid, and some party supporters shared his displeasure. Both parties officially endorsed the ARENA candidate. While PDC and PCN party faithful would normally gravitate to the right, PCN voters loyal to Chevez feel slighted, and may take their frustrations out at the ballot box.

Polling: ARENA Gains Ground, But FMLN Still Ahead

lead varies widely (between zero and 15 points), as does the quality of those polls. However, Avila has gained 4-6 points across the board since the January elections. The ARENA support base was invigorated by the San Salvador municipal victory in January, and the withdrawal of the PDC and PCN candidates appears to have also boosted Avila in the polls. That said, the most reliable and methodologically sound polling firms indicate an advantage for Funes. CID-Gallup's figures most closely matched the final results in the previous two Salvadoran presidential elections, and their final numbers give Funes a six-point edge (7.6 points with the 5 percent undecided respondees removed from the data).

Election Day Observation Effort

111. (SBU) International observation efforts for the March 15 elections will be substantial. Central American University's Institute of Public Opinion (IUDOP) will field an observer team of close to 2,500 (up from 2,000 in January). The EU, OAS, and several NGOs will also have observer teams in place. The Embassy is increasing its number of observers from 30 to 70, and will again be present in all 14 departments in the country. The Embassy is pre-positioning seven teams in outlying areas to ensure observers will be in place at the opening and closing of polls around the country.

Remaining Questions: FMLN

- 112. (C) The FMLN has pledged a set of moderate policies, and selected a presidential candidate to that end. While Funes has a lead, the party knows that nothing is certain. Since the end of the Salvadoran Civil War (1992), the FMLN has not won a presidential election, in no small part due to public apprehension over supporting the far left. Despite favorable poll numbers, the question remains of whether, on Election Day, swing voters will be prepared to mark the FMLN flag on their ballots.
- 113. (C) Important questions remain on the minds of voters, the most prominent of which is whether Funes will be in control of the party, or whether FMLN hardliners will be able to manipulate him to their ends. Among those hardliners is VP running mate Salvador Sanchez Ceren, a former guerrilla commander, widely alleged to have carried out summary executions during the war. More recently, Sanchez Ceren took part in American flag-burning protest in response to the September 11, 2001 attacks on the U.S. Beyond that, the FMLN faces governability questions. While the party has been active on the legislative and municipal levels, it has no experience running the country, and as a result, would be appointing many first-time public officials to critical offices.

Remaining Questions: ARENA

- 114. (C) An ARENA government is a known entity. The Salvadoran people generally know what to expect, but perceive ARENA as an insider's club. Rodrigo Avila has emerged from a candidate selection process that lacked transparency, but has successfully become a viable candidate as the campaign has progressed. If Avila loses, we would attribute the result to ARENA fatigue. The party has done well to rebuild the country from the damage of the Civil War, but has not spread the benefits widely enough.
- 115. (C) The biggest questions surrounding Avila relate to current President Elias Antonio (Tony) Saca. The public perception of the Saca regime, somewhat influenced by the media, is one of corruption and self-serving dealings. Voters question whether that would change under Avila, and whether Saca would actually still be controlling the country from behind the scenes. Avila would be conflicted by, on the

one hand, being decent and honest, and on the other, feeling a sense of loyalty to Saca.

Comment: The Future if Avila Wins: Continuity with Challenges

- 116. (S) We can assume with some certainty that Avila would want to continue to maintain excellent relations with the United States. His victory would be seen by some as a defeat for Castro, Chavez, and the anti-American radical left, all of whom supported his opponent. For all of Saca's faults, he has made good relations with the U.S. the centerpiece of his foreign policy.
- 117. (S) On specific matters, Avila would be certain to continue close law enforcement cooperation: The Merida Initiative; Transnational Anti-Gang Unit; Cooperative Security Location; and the International Law Enforcement Academy. He would continue El Salvador's participation in CAFTA, and with all the related programs related to CAFTA, such as USAID's initiatives in trade-capacitation and customs management. An Avila administration would be expected to support the USG in regional and international fora.
- 118. (S) There would also be significant challenges with Avila, starting with ensuring that he has freedom to maneuver away from the old-boy networks linked to his predecessor and to his party. He would need to draw a cleaner line between party and government, and solidify governing institutions so that the country can deal comfortably with the possibility of ARENA becoming an opposition party after the next election cycle. We would also call on Avila to reverse anti-competitive practices and the GOES' tendency in recent years to subordinate business contracts to political calculations.

Comment: The Future if Funes Wins: Challenging, But Opportunity Knocks

- 119. (S) A Funes victory presents a greater challenge, given his party's radical past, its links to Chavez, Castro, FARC and other unfriendlies, and the presence of unrepentant former guerrilla commanders among the FMLN's leadership. Funes' victory will look to some like a domino falling the wrong way and be trumpeted by our adversaries in the region as a repudiation of American influence in a country we have considered a Central American showcase. Others will see it as confirmation that El Salvador has moved beyond the Civil War.
- ¶20. (S) Funes has promised to establish diplomatic relations with Cuba and can be expected to upgrade existing relations with Venezuela. Those decisions likely herald the presence of security and espionage advisors, along with political activists arriving under the guise of sports, health, or education missions, requiring us to thoroughly review our security and counter-intelligence preparedness.
- 121. (S) However, opportunity may knock. Funes campaigned as a moderate, and promised to maintain good relations with the USG. Specifically, he pledged to continue El Salvador's participation in CAFTA, its hosting of ILEA and the counter-narcotics Cooperative Security Location, and the full range of bilateral assistance programs run by MCC, USAID, and law-enforcement agencies. These may be disposable campaign promises; however, Funes says he personally admires President Obama, and is already on excellent terms with Brazilian President Lula. A concerted effort by the USG, perhaps allied with the Brazilian government, could conceivably hold Funes to a responsible center-left approach to governing, giving him the strength necessary to push back against the radical elements of the FMLN. If high-level USG attention is required, we will not hesitate to request it, starting with a post-election congratulatory call from the President.

122. (S) Salvadoran institutions such as the media, business organizations, NGOs, and organized religion could also be expected to push back against the darker side of the FMLN. In addition, the Legislative Assembly under Funes is likely to be allied in ARENA's favor, thereby acting as a check against any radical tendencies. The conservative, pro-American outlook of the population at large is also a factor that may work to keep Funes operating within the normal, democratic range of the political spectrum.

Economic Outlook

123. (C) No matter which candidate wins the election, he will face a daunting economic crisis. While official GDP numbers have not been published, the Central Bank's GDP proxy shows the economy actually contracted in the last quarter of 2008. There is a broad consensus that 2009 will turn out to be an even worse year for the economy. Due in large part to unfocused and unwise subsidy programs, the GOES has been hard-pressed to meet its short-term financing obligations. The current administration and legislature have made an effort to restructure upcoming debt obligations and fund social programs through international financial institution assistance. Both candidates have also pledged to target subsidies to those who need them most. The winning candidate will need to avoid political polarization and reach out to the opposition to address these challenges.

Action Request

124. (C) Regardless of the outcome of the election, post requests that the Department coordinate with NSC a prompt congratulatory call to the Salvadoran President-elect from President Obama. We will seek to congratulate the winner ourselves late Sunday night, March 15, assuming the results are clear and undisputed. Monday, March 16, would be the ideal date for a POTUS call, again, assuming that there is no controversy regarding tabulation of ballots.

Suggested Election Night Statements

125. (C) For an undisputed Avila victory:

- The USG congratulates Rodrigo Avila for his hard-fought electoral victory. We look forward to working with the new president in many areas of common interest, especially trade and law enforcement.
- We also congratulate Mauricio Funes for his spirited and hard-fought campaign.
- Additionally, we congratulate the Salvadoran people for their active participation in the democratic process, and also the Salvadoran authorities for organizing yet another round of free and fair elections.

For an undisputed Funes victory:

- The USG congratulates Mauricio Funes for his hard-fought electoral victory. We look forward to working with the new president in many areas of common interest, especially trade and law enforcement.
- We also congratulate Rodrigo Avila for his spirited and hard-fought campaign.
- Additionally, we congratulate the Salvadoran people for their active participation in the democratic process, and also the Salvadoran authorities for organizing yet another round of free and fair elections.

For a disputed result:

- The USG congratulates the Salvadoran people for their active participation in the democratic process, but calls upon violent minorities to cease and desist;
- The USG supports a peaceful, transparent and constitutional resolution of the current impasse. ${\tt BLAU}$